

**Budget Hearing for HB 2**  
**Joint Appropriations Subcommittee on Natural Resources and Transportation**

**Department of Ag - New Proposals**  
**NP - 5010 - Increase Wheat and Barley Authority**  
**NP - 5009 - State Grain Lab Funding Switch**

**EXHIBIT** 6  
**DATE** 1/29/09  
**HB** \_\_\_\_\_

**Testimony submitted by Bing Von Bergen, President**  
**Montana Grain Growers Association**

Mister Chairman, Members of the Committee, my name is Bing Von Bergen and I raise wheat and barley in Moccasin, Montana. I currently serve as president of the Montana Grain Growers Association, the primary trade association representing wheat and barley producers in the state. I am here today representing the Montana Ag Coalition whose members include the Montana Grain Growers Association, Montana Farm Bureau, Montana Farmers Union, WIFE, Montana Agri-Business, Montana Stockgrowers, Montana Woolgrowers, Montana Pork Producers, Montana CattleWomen, Montana Livestock Auction Markets and Montana Water Resources.

I am here urging you to support the Department of Ag Proposal to Increase the Spending Authority for the Montana Wheat and Barley Committee. Montana producers have overwhelming support for THEIR wheat and barley check-off program. This is a voluntary assessment program which is producer-funded and producer-run. All of the decisions related to allocation of the funds are determined right here in Montana by a board of directors made up of producers who pay check-off fees themselves. We have by far the lowest refund rate of any state wheat check-off program in the country, a testament to the trust that Montana producers have in the decisions of the Committee.

The mission of the Montana Wheat & Barley Committee has not changed since it was established by the legislature in 1967. Focused programs on research, market development and utilization have generated millions of dollars for the agriculture industry and our state's economy. The cost associated with delivering these programs has increased steadily. At the same time, we've seen diminishing federal and state support for some of our most important research projects. Producers have stepped up to meet this need by approving higher check-off fees. But without increasing the spending authority, the committee is not allowed to spend the full amount voluntarily assessed by growers on their own production.

We strongly support this request for an increase in the wheat and barley spending authority.

The Ag Coalition also asks for your support of \$125,000 from the general fund each year of the biennium to maintain the state grain lab. The Montana State Grain Lab is the only federally licensed lab in the state, a facility whose existence is required under Montana law. Unlicensed labs are privately owned and do not have to meet the strict rules and regulations of the Federal Grain Inspection Service as the State Grain Lab does. The revenue from grain inspection fees is very cyclical and inconsistent because our grain production and quality is subject to the cyclical and inconsistent weather of Montana. This means a difficult financial climate for the lab, and inspection fees alone have not met the needs.

In recent years the State Grain Lab has obtained financial assistance from the Montana Wheat and Barley Committee to make up for these inconsistencies. Unfortunately, this assistance has taken money away from valuable research and marketing programs which benefit Montana agriculture and the state's economy. The Montana Wheat and Barley Committee should not be expected to use research and marketing resources to fund a lab that is the responsibility of the State to provide for ALL commodities. It is important for all commodities to have an independent, fair, and accurate lab in the state where we can submit our grain samples for an impartial analysis.

We strongly support this request for a general fund appropriation for the state grain lab.

Thank you.

I am happy to answer any questions at the appropriate time.